



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
861 SILVER LAKE BLVD.  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE:  
FAX:

(302) 736-7500  
(302) 739-4849

**MEMORANDUM**

**TO:** The Chair and Commissioners

**FROM:** Lisa B. Driggins, Public Utilities Analyst

A handwritten signature in blue ink, appearing to read "LBD", enclosed in a hand-drawn oval.

**DATE:** December 8, 2015

**SUBJECT:** IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES TO SIX PARCELS OF LAND LOCATED IN DUCK CREEK HUNDRED, AND TO TWENTY-SEVEN PARCELS OF LAND LOCATED IN KENTON HUNDRED, NEAR THE TOWN OF CLAYTON, KENT COUNTY, DELAWARE (FILED AUGUST 20, 2004 AND AMENDED SEPTEMBER 22, 2004 AND OCTOBER 6, 2004) PSC DOCKET NO. 04-CPCN-21 (SOUTH WEST CLAYTON)

IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC. TO ABANDON UNDER 26 DEL. C. § 203A(d) WATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (FILED NOVEMBER 24, 2015)

**PSC DOCKET NO. 15-1591**

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Artesian Water Company, Inc. ("AWC" or "Company") is a utility providing water services for public use that is subject to the regulatory jurisdiction of this Commission. On November 23, 2004, the Commission granted via Order No. 6513 AWC's application for a Certificate of Public Convenience and Necessity ("CPCN") for water services for 33 parcels of land located near the Town of Clayton, Kent County, Delaware. On November 24, 2015, AWC submitted an application (the "Application") with the Commission seeking to partially abandon or discontinue its CPCN for water operations or services by removing one of the parcels of land from its CPCN, specifically Kent County Tax Map Parcel Numbers 3-00-027.00-01-41.07 (the "Parcel"). If the Commission grants the Application, AWC will still have a CPCN for all of the other parcels that are within the existing CPCN.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of

public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified Application that requests to abandon a portion of the CPCN which relates to water service for the Parcel. Staff believes the abandonment is reasonable because AWC does not currently supply water service to the Parcel as the company does not have infrastructure in close proximity to the property. The abandonment is necessary because the owner of the Parcel requested in writing that AWC remove such Parcel from AWC's CPCN service area. The Company was notified by the landowner that a well on the property is failing and the Parcel is in need of alternative water supply. The landowner also stated the parcel is next to a subdivision which receives water from Tidewater Utilities and the main for that subdivision passes in front of the house. Finally, the abandonment will not be unduly disruptive to the present convenience and necessity because no existing AWC customers are located on the Parcels. Hence, if the Commission grants the Application's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving water services from another public utility.

Therefore, Staff recommends that the Commission grant AWC's request to partially abandon its CPCN.